

Message Text

CONFIDENTIAL

PAGE 01 GEORGE 01108 01 OF 02 271100Z

ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 TRSE-00 EB-03 INR-05 CIAE-00

SP-02 PRS-01 IGA-01 NSC-05 NSCE-00 L-01 DHA-02

IO-06 OMB-01 /048 W

-----271111Z 078078 /12

R 271031Z MAY 77

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 4710

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L SECTION 1 OF 2 GEORGETOWN 1108

LIMDIS

E.O. 11652: GDS

TAGS: EAID, GY

SUBJECT: GUYANA FOREIGN MINISTER REACTION TO US DECISION
ON AID

REF: A. STATE 116534 B. GEORGETOWN 1031

SUMMARY: FONMIN WILLS HAS EXPRESSED APPRECIATION FOR
THE US OFFER TO DISCUSS NEW DEVELOPMENT ASSISTANCE
PROGRAMS AND SOME DISAPPOINTMENT THAT BALANCE OF
PAYMENTS ASSISTANCE WILL NOT BE FORTHCOMING. THE
EMBASSY BELIEVES THAT THE US RESPONSE TO THE GOG'S
REQUEST MARKS A POSITIVE STEP IN US-GOG RELATIONS
AND THAT IT PROVIDES A POTENTIAL FOR US TO EXERCISE
INCREASED INFLUENCE HERE. THE GOG IS NOW ON NOTICE
THAT THE US IS WILLING TO CONTRIBUTE IN CONCRETE WAYS
TO IMPROVED RELATIONS AND THAT IT EXPECTS GUYANA TO DO
LIKEWISE. GUYANA'S ULTIMATE RESPONSE TO THE US WILL
BE DETERMINED BY A NUMBER OF FACTORS, PARTICULARLY
DOMESTIC ECONOMIC AND POLITICAL DEVELOPMENTS
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PAGE 02 GEORGE 01108 01 OF 02 271100Z

AND THE EXTENT TO WHICH ALTERNATE SOURCES OF
ASSISTANCE BECOME AVAILABLE.

1. I MET WITH FONMIN WILLS IN HIS OFFICE MAY 25 TO
INFORM HIM, PER GUIDANCE REFTEL, THAT AID WOULD BE
WILLING TO EXPLORE POSSIBLE NEW DEVELOPMENT ASSISTANCE
PROJECTS, BUT THAT THE USG WOULD NOT PROVIDE BALANCE

OF PAYMENTS OR BUDGETARY SUPPORT FOR GUYANA. I EXPLAINED THAT AID'S DEVELOPMENT ASSISTANCE AUTHORITY DOES NOT PROVIDE FOR OVERCOMING BALANCE OF PAYMENTS PROBLEMS AND, IN RESPONSE TO HIS QUERY (HE HAD READ LUCY BENSON'S SPEECH IN WHICH SECURITY SUPPORT ASSISTANCE (SSA) FOR JAMAICA WAS MENTIONED), POINTED OUT THAT POLITICAL OR SECURITY RATIONALE DID NOT APPEAR SUFFICIENT TO WARRANT SSA FOR GUYANA.

2. WILLS EXPRESSED APPRECIATION FOR THE US OFFER TO EXPLORE PROPOSALS FOR NEW DEVELOPMENT ASSISTANCE PROJECTS. HE URGED THAT ACTION BE TAKEN AS SOON AS POSSIBLE SO THAT THE POLITICAL EFFECTS OF THIS DECISION WOULD INFLUENCE THOSE HERE WHO WERE SKEPTICAL ABOUT THE US. I POINTED OUT THAT FY 1978 BUDGET CYCLE WAS WELL ADVANCED AND THAT FOR ANYTHING TO BE DONE THIS YEAR, A SPECIAL APPROACH TO CONGRESS WOULD BE NECESSARY. HE REITERATED HIS REQUEST THAT WE DO WHATEVER WAS POSSIBLE TO START THE PROJECTS THIS YEAR.

3. RETURNING TO THE BALANCE OF PAYMENTS QUESTION, HOWEVER, WILLS EXPRESSED DISAPPOINTMENT THAT NO HELP COULD BE CONTEMPLATED. HE SAID IT WOULD BE VERY IMPORTANT POLITICALLY IF THE US COULD PROVIDE EVEN A TOKEN OF FIVE MILLION DOLLARS FOR THIS PURPOSE. THE SYMBOLISM OF IT WOULD BE VERY IMPORTANT IN HELPING SHIFT GUYANESE ATTITUDES TOWARD THE US. THOSE WHO HAD SCOFFED AT HIS EFFORT TO FOSTER RAPPROACHMENT WITH THE UNITED STATES WOULD CALL HIS POLICY A FAILURE. CONFIDENTIAL

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PAGE 03 GEORGE 01108 01 OF 02 271100Z

4. I REMINDED HIM OF OUR CONVERSATION IN WHICH I HAD SPOKEN OF THE RESTORATION OF GOOD RELATIONS AS BEING A PROCESS WHICH WOULD TAKE SOME TIME, AND THAT IT MIGHT BE PREMATURE TO EXPECT US DEVELOPMENT ASSISTANCE SOON. NEVERTHELESS THE USG WAS OFFERING SUCH ASSISTANCE ALREADY. THIS WAS A CLEAR INDICATION OF THE GOOD INTENTIONS OF THE US, AND HE COULD CITE IT AS EVIDENCE OF THE SUCCESS OF HIS POLICY. REFERRING TO THE EVENTS OF LAST YEAR I POINTED OUT THAT RELATIONS HAD BEEN AT A VERY LOW EBB AND THAT SOME US OFFICIALS, INCLUDING SOME CONGRESSMEN, THOUGHT GUYANA HAD BEEN HOSTILE TO THE US. THE PROCESS OF CHANGING THIS IMAGE REQUIRED CONCRETE ACTIONS AND CONSISTENCY BY THE GOG. THE US ADMINISTRATION STILL HAD LITTLE POLITICAL RATIONALE ON WHICH TO BASE ARGUMENTS IN FAVOR OF LARGE SCALE ASSISTANCE TO GUYANA.

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PAGE 01 GEORGE 01108 02 OF 02 271105Z
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C O N F I D E N T I A L SECTION 2 OF 2 GEORGETOWN 1108

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5. WILLS TALKED AT SOME LENGTH ABOUT HOW GUYANA'S HONESTY IN SPEAKING ITS MIND WAS MISUNDERSTOOD. HE SAID GUYANA HAD NEVER DONE ANYTHING HOSTILE TOWARD THE US. IT HAD NO DIPLOMATIC MISSION IN THE USSR. THE GOG HAD TOLD THE PREVIOUS ADMINISTRATION REPEATEDLY THAT IT WANTED A DIALOGUE. HE HAD TOLD ME THAT GOG WOULD SEEK COMMON POSITIONS WITH THE US ON ISSUES AT THE UN WHEN POSSIBLE. GUYANA'S HUMAN RIGHTS RECORD WAS VERY GOOD. BUT, HE SAID, IT SEEMED THAT NOTHING CHANGED. NOTHING GUYANA DID MADE A DIFFERENCE ON US ATTITUDES. US OFFICIALS APPEARED TO REMEMBER THE DIVERGENCIES IN VIEWPOINTS RATHER THAN THE POSITIVE ASPECTS OF US-GOG RELATIONS. I REMINDED HIM THAT NEGATIVE ASPECTS OF THE PAST RELATIONSHIP OCCASIONALLY REAPPEARED IN SPEECHES OF GUYANESE LEADERS. AFTER BLOWING OFF STEAM, IN A RATHER DEJECTED MANNER, WILLS APOLOGIZED AND ASSURED ME AGAIN THAT HE APPRECIATED THE US WILLINGNESS TO PROVIDE DEVELOPMENT ASSISTANCE. HE WOULD CONTINUE WORKING TO PROMOTE GOOD RELATIONS WITH THE US.

CONFIDENTIAL

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PAGE 02 GEORGE 01108 02 OF 02 271105Z

6. IN DISCUSSING ALTERNATE SOURCES OF BALANCE OF PAYMENTS ASSISTANCE, WILLS SAID THAT TRINIDAD APPEARED WILLING TO HELP (SEPTTEL) AND HE WOULD TRY LIBYA AGAIN. FINANCE MINISTER FRANK HOPE HAD BEEN ARGUING THAT THE GOG SEEK TO DRAW ON THE INTERNATIONAL MONETARY FUND BUT RELIEF FROM THAT QUARTER WOULD NOT BE POSSIBLE BEFORE MARCH 1978 (HE DID NOT SAY WHY). IN ADDITION, PRIME MINISTER BURNHAM FELT THAT THE CONDITIONS THAT THE IMF WOULD IMPOSE WOULD BE IMPOSSIBLE TO ACCEPT POLITICALLY.

7. COMMENT: ALTHOUGH BURNHAM DID NOT SHOW OPTIMISM THAT THE US WOULD PROVIDE BALANCE OF PAYMENTS ASSISTANCE (REFTEL B), WILLS APEARS TO HAVE ENTER-TAINED SOME HOPE THAT THEIR REQUEST WOULD PRODUCE RESULTS. I INTEND TO CONTINUE WITH THE LINE THAT THE US WILLINGNESS TO DISCUSS DEVELOPMENT ASSISTANCE REFLECTS ITS COMMITMENT, WITHIN THE LIMITS OF ITS CAPABILITIES AND POLITICAL REALITIES, TO ASSIST LDC'S DEVELOP, AND THAT IT INDICATES THAT THE US IS WILLING TO HELP GUYANA. THE FUTURE ATTITUDE OF THE US WILL DEPEND IN GREAT MEASURE ON GUYANA'S ACTIONS TOWARD THE US.

8. BY AGREEING TO PROVIDE NEW AID DEVELOPMENT ASSISTANCE, THE US HAS GAINED A DEGREE OF LEVERAGE HERE WHICH CAN BE FURTHER DEVELOPED AND EXPLOITED. THE EXTEND TO WHICH WE WILL BE SUCCESSFUL WILL DEPEND UPON HOW WE PLAY OUR HAND, ON THE GOG'S SUCCESS IN OBTAINING ASSISTANCE FROM OTHER SOURCES, ON WHO THOSE SOURCES MIGHT BE, AND ULTIMATELY ON THE PLAY OF POLITICAL AND ECONOMIC FORCES IN GUYANA. BLACKEN

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